

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EUR-12 CIAE-00 DODE-00 PM-05 H-02
INR-10 L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15
USIA-15 EB-08 COME-00 TRSE-00 OMB-01 STR-07
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R 280750Z FEB 78
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 1218
INFO AMCONSUL DHAHRAN
USLO RIYADH

UNCLAS SECSTION 1 OF 2 JIDDA 1521

E.O. 11652: N/A
TAGS: ETRD, SA, BTIO
SUBJ: NEW SAUDI LETTER OF CREDIT INSTRUCTIONS

REF: JIDDA 1499

1. THE FOLLOWING IS THE TEXT OF THE MINISTRY OF COMMERCE
MEMORANDUM SETTING OUT NEW SAG PROCEDURES FOR LETTER OF
CREDIT ISSUANCE, AS NOTED IN PARA 2 REFTEL.

2. QUOTE: IN VIEW OF COMPLAINTS BY MERCHANTS AND SAUDI
CORPORATIONS OF AMBIGUITY IN THE PROVISIONS FOR OPENING
LETTERS OF CREDIT AS CONTAINED IN THE DECISION GOVERNING
IMPORTS FROM ARAB AND FOREIGN STATES NO. 1584 OF
23/8/1386 H, AND LACK OF CONSENSUS AMONG VARIOUS BANKS
OPERATING IN THE KINGDOM WHEN TRANSLATING THAT DECISION
INTO ENGLISH, AND WHEREAS TEN YEARS HAVE ELAPSED SINCE THE
ISSUANCE OF THE DECISION AND CHANGES THAT DEVELOPMED
DURING THIS PERIOD, AND INREALIZATION OF THE COMMON
INTEREST, A COMMITTEE FROM THE MINISTRIES OF TRADE
AND FOREIGN AFFAIRS WAS SET UP TO LOOK INTO THE
MINISTERIAL DIRECTIVE AND DRAW UP AN ADEQUATE FORMULA
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REALIZING THE COMMON INTEREST AND AT THE SAME TIME
GUARANTEEING NON-VIOLATION OF THE ESSENSE AND OBJECTIVES
OF THE BOYCOTT. FOLLOWING THROUGH STUDY, THE
COMMITTEE RECOMMENDED A BASIS WHICH COULD BE APPLIED
IN THE FUTURE, AND CANCELLATION OF THE FORMER DIRECTIVE.
THE RECOMMENDATIONS WERE SUBMITTED TO THE SUPREME
AUTHORITY, AND ENDORSED BY HRH THE CROWN PRINCE UNDER

NO. 1739/8 OF 14/8/1397 H

"BASED ON THE FOREGOING, PLEASE INSTRUCT THE COMPETENT AUTHORITIES UNDER YOUR JURISDICTION TO ABIDE BY THE FOLLOWING PROVISIONS FOR OPENING LETTERS OF CREDIT:

FIRST: THE SAUDI IMPORTER SHALL REQUEST THE FOREIGN SUPPLIER TO ENCLOSE THE FOLLOWING DOCUMENTS.

(A) CERTIFICATE OF ORIGIN ISSUED BY THE SUPPLIER OR EXPORTING COMPANY AND AUTHENTICATED BY THE EXPORTING COUNTRY, ATTESTING THAT THE GOODS EXPORTED TO THE KINGDOM ARE OF PURELY INDIGENOUS ORIGIN, PROVIDED THE CERTIFICATE SHOWS THE NAME OF THE FACTORY OR THE MANUFACTURING COMPANY. IN CASE THE GOODS EXPORTED TO THE KINGDOM ARE NOT OF A PURELY INDIGENOUS ORIGIN, THE FACTORY OR THE FOREIGN EXPORTING COMPANY SHALL SPECIFY NON-DOMESTIC PARTS AND SOURCE.

(ENCLOSED HERewith IS SPECIMEN OF THE REQUIRED CERTIFICATE IN BOTH ARABIC AND ENGLISH- ENCLOSURE 1.)

(B) CERTIFICATE ISSUED BY THE SHIP'S OWNER, AGENT, OR CAPTAIN STATING THAT THE CARRYING STEAMER IS NOT REGISTERED IN ISRAEL, IS NOT OWNED BY ISRAELI NATIONALS OR INDIVIDUAL RESIDING IN ISRAEL, AND SHALL NOT STOP OR PASS THROUGH ANY ISRAELI PORT ENROUTE TO SAUDI ARABIA. THE SIGNER OF THE CERTIFICATE SHALL TESTIFY ALSO THAT THE SAID STEAMER IS AUTHORIZED TO ENTER SAUDI ARABIAN PORTS PURSUANT TO THE KINGDOM'S UNCLASSIFIED

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LAWS AND REGULATIONS.

(ENCLOSED HERewith IS SPECIMEN OF THE REQUIRED CERTIFICATE IN BOTH ARABIC AND ENGLISH- ENCLOSURE 2.)

(C) CERTIFICATE ISSUED BY THE INSURANCE COMPANY CONFIRMING THAT GOODS DESCRIBED IN THE INSURANCE POLICY HAVE BEEN INSURED BY AN INSURANCE COMPANY WHICH HAS A REPRESENTATIVE OR A RESIDENT AGENT IN SAUDI ARABIA. ENCLOSED HERewith IS SPECIMEN OF THE REQUIRED CERTIFICATE IN BOTH ARABIC AND ENGLISH- ENCLOSURE 3.)

SECOND: CERTIFICATES PROVIDED FOR IN ARTICLE 1 SHALL BE ATTESTED BY SAUDI MISSIONS -- IF AVAILABLE -- IN THE COUNTRY ISSUING THOSE CERTIFICATES, OR IN THE COUNTRY OF THE EXPORTER. IN CASE THERE ARE NO SAUDI MISSIONS IN THE EXPORTING COUNTRY. IT WILL BE SUFFICIENT TO HAVE THOSE CERTIFICATES ATTESTED BY THE CHAMBER OF COMMERCE OR INDUSTRIAL ASSOCIATION IN THE COUNTRY ISSUING SUCH CERTIFICATES OR THE COUNTRY OF THE EXPORTER.

THIRD: IN CASE OF IMPORTS COLLECTIBLE THROUGH BANKS, OR DIRECT IMPORTATION AGAINST COLLECTION WHERE ALL OR PART OF THE VALUE OF THE GOODS IS PAID, THE BANKING

INSTITUTIONS OPERATING IN THE KINGDOM SHALL TAKE
AN ACKNOWLEDGEMENT FROM THE CONSIGNEE CONCERNING
THE DOCUMENTS INDICATED IN PARAS ONE AND TWO. SHOULD
THE IMPORTER TAKE THESE DOCUMENTS RECEIVED, HE
SHALL BECOME RESPONSIBLE FOR ANY SHORTAGE, AND THE BAANK
WILL ASSUME NO RESPONSIBILITY.

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TO SECSTATE WASHDC 1219
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FOURTH: IN CASE IMPORTATION IS MADE FROM FREE ZONES,
EITHER ARABIC OR FOREIGN, CERTIFICATES OR PHOTOCOPIES
AS PROVIDED FOR IN PARA ON SHALL BE SUBMITTED AFTER
ATTESTATION BY SAUDI MISSIONS IN THE EXPORTING
COUNTRY, IF AVAILABLE. IF NO SAUDI MISSION EXISTS,
THE CERTIFICATION OF THE CHAMBER OF COMMERCE OR
THE INDUSTRIAL ASSOCIATION WILL BE SUFFICIENT.
FIFTH: PROVISIONS OF PARA ONE SHALL NOT BE
APPLICABLE TO COMMODITIES AND PRODUCTS MANUFACTURED
IN THE ARAB LEAGUE STATES AND EXPORTED FROM THOSE
COUNTRIES, AS THEY OBSERVE THE BOYCOTT PROVISIONS.
SIXTH: THESE PROCEDURES AND INSTRUCTIONS SUPERSEDE
AND CANCEL THOSE CONTAINED IN DIRECTIVE NO. 1584 OF
23/8/1386 H AND CIRCULATED UNDER NO. M/29/6/315/86/87
OF 23/8/1386 H WITHOUT PREJUDICE TO THE CONTENTS OF
PARA SEVEN BELOW.
SEVENTH, WITH REGARD TO IMPORTERS WHO IN THEIR
LETTERS OF CREDIT MIGHT HAVE STIPULATED EARLIER
REQUIREMENTS, THEY SHALL BE ALLOWED TO APPLY PREVIOUS
PROCEDURES FOR SIX MONTHS FROM THE DATE OF THIS
LETTER.

"IN VIEW OF THE FOREGOING, WE REQUEST YOUR
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EXCELLENCY TO INSTRUCT THE CUSTOMS AUTHORITIES TO
ENFORCE THESE NEW PROCEDURES, BEARING IN MIND THAT
WE HAVE FURNISHED HRH THE FOREIGN MINISTER A COPY
OF THIS DIRECTIVE FOR NOTIFICATION TO SAUDI EMBASSIES
ABROAD, AND A COPY TO THE GOVERNOR OF SAMA IN ORDER
TO NOTIFY BANKS OPERATING IN THE KINGDOM FOR IMPLI-
MENTATION, AND FOR FURNISHING THEIR CORRESPONDENTS
ABROAD THE ENGLISH TEXTS ENCLOSED WITH THIS LETTER SO
AS TO CONSOLIDATE PROCEDURES.

" WITH WARM REGARDS.MINISTER OF COMMERCE
SULAIMAN AL-SULAIM." END QUOTE.

3. FOLLOWING IS TEXT OF ENGLOSURE 1 QUOTE:

(TITLE) APPENDED DECLARATION TO CERTIFICATE OF
ORIGIN

(TEXT) TO THE EXTENT THAT THE GOODS AS DESCRIBED IN
THE CERTIFICATE OF ORIGIN ATTACHED HERewith ARE NOT
SOLELY AND EXCLUSIVELY PRODUCTS OF THE COUNTRY OF
ORIGIN INDICATED THERE IN THEN THE DECLARATION IN THE
FORM APPEARING BELOW MUST BE APPENDED TO THE CERTIFICATE
OF ORIGIN.

NAME OF SUPPLIER/ MANUFACTURER:

THE UNDERSIGNED (BLANK) DOES HEREBY DECLARE ON
BEHALF OF THE ABOVE NAMED SUPPLIER/MANUFACTURER, THAT
CERTAIN PARTS OR COMPONENTS OF THE GOODS DESCRIBED
IN THE ATTACHED CERTIFICATE OF ORIGIN ARE THE PRODUCTS
OF SUCH COUNTRY OR COUNTRIES OTHER THAN THE COUNTRY
NAMED THEREIN AS SPECIFICALLY INDICATED HEREUNDER:

1) COUNTRY OF ORIGIN. 2) PERCENTAGE OF VALUE OF
PARTS OR COMPONENTS RELATIVE TO TOTAL SHIPMENT.
END QUOTE:

4. FOLLOWING IS TEXT OF ENCLOSURE 2 QUOTE:

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(TITLE) APPENDED DECLARATION TO BILL OF LADING

(TEXT) 1 NAME OF VESSEL: (BLANK)

2. NATIONALITY OF VESSEL: (BLANK)

3. OWNER OF VESSEL: (BLANK)

THE UNDERSIGNED DOES HEREBY DECLARE ON BEHALF OF
THE OWNER, MASTER, OR AGENT OF THE ABOVE NAMED VESSEL
THAT SAID VESSEL IS NOT REGISTERED IN ISRAEL OR OWNED
BY NATIONALS OR RESIDENTS OF ISRAEL AND WILL NOT CALL

AT OR PASS THROUGH ANY ISRAELI PORT ENROUTE TO SAUDI ARABIA.

THE UNDERSIGNED FURTHER DECLARES THAT SAID VESSEL IS OTHERWISE ELIGIBLE TO ENTER INTO THE PORTS OF THE KINGDOM OF SAUDI ARABIA IN CONFORMITY WITH ITS LAWS AND REGULATIONS. END QUOTE.

5. FOLLOWING IS TEXT OF ENCLOSURE 3. QUOTE:

(TITEL) APPENDED DECLARATION TO INSURANCE POLICY

(TEXT) 1. NAME OF INSURANCE COMPANY: (BLANK)

2. ADDRESS OF ITS PRINCIPAL OFFICE: (BLANK)

3. COUNTRY OF ITS INCORPORATION: (BLANK)

THE UNDERSIGNED (BLANK) DOES HEREBY CERTIFY ON BEHALF OF THE ABOVE NAMED INSURANCE COMPANY THAT THE SAID COMPANY HAS A DULY QUALIFIED AND APPOINTED AGENT OR REPRESENTATIVE IN THE KINGDOM OF SAUDI ARABIA WHOSE NAME AND ADDRESS APPEARS BELOW.

END QUOTE.

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Message Attributes

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Status: NATIVE
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TAGS: ETRD, BTIO, SA
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Type: TE
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